Nebraska State Legislature

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Ms. Dannette Smith
Chief Executive Officer
Nebraska Department of Health and Human Services
P.O. Box 95026
Lincoln, NE 68509-5026

Dear CEO Smith,

Thank you for the information your Department has provided thus far on the plans for Medicaid expansion pursuant to Initiative 427. As we have discussed, the Health and Human Services Committee members and the Appropriations Committee members have some additional questions about the plan and we look forward to discussing those at the briefing next week on Thursday, April, 11th at 1:30 in Room 1510.

To help your team prepare and to give you a sense of the questions Committee members have, we have listed our questions below. Please note, the cost questions listed here are in addition to the questions already presented to the Department by the Appropriations Committee.

We look forward to the briefing next week.

Sincerely,

Sara

Sara Howard
District 9

MEDICAID EXPANSION PLAN QUESTIONS

Benefits Questions

1. What is covered in the Basic Coverage plan?
    a. What is the difference between the Basic Coverage benefits based on the BCBS Pride plan and the mandatory services in Nebraska Medicaid required in Neb. Rev. Stat. 68-911?
    b. Are any of the optional services currently provided in Nebraska Medicaid, also under section 68-911, included?
    c. Are there use limitations on the benefits or services in the Basic plan?
2. Is the Prime Plan identical to the Basic plan except it also includes dental, vision, and over-the-counter drugs?
    a. What is covered under the dental benefits? Vision benefits? Over-the-counter benefits?
3. Does the department plan to impose cost-sharing under the Basic and Prime Coverage in Medicaid Expansion?
4. The concept paper states, "Currently enrolled adults will be eligible for Prime Coverage during the first enrollment period."
    a. Does this mean those who are currently enrolled as caretaker relatives will *automatically* be enrolled in Prime Coverage for the first six months?
    b. Will only those currently enrolled in Medicaid at the time the Heritage Health Adult Program goes live be enrolled in Prime Coverage or will future caretaker relatives and 19 and 20 year olds also be placed in Prime Coverage at the beginning of their first enrollment?
5. On a related note, it appears that new enrollees are assigned to Basic Coverage for the first six months, but current enrollees as mentioned above will be eligible for Prime Coverage immediately.
    a. Is this correct?
    b. If so, doesn't this violate the provision in Initiative 427 requiring no additional burdens or restrictions on eligibility enrollment, benefits or access to health services be imposed on the adult expansion population.
6. Will the children transitioning from foster care up to age 26 be included in the New Adult Group?
7. What is the department examining in the HCBS waiver?

a. What changes are anticipated?

8. What are the requirements for being determined "medically frail?"
    a. The footnote in the presentation states that the medically frail population will receive "state plan services." What does this mean?

Administration Questions

1. What is involved in the six month recertification process?
    a. The handout states "In order to mitigate possible issues of program integrity, eligibility will be re-determined every six months." What are the "program integrity" issues that this shorter certification period is trying to mitigate?
2. Why do you plan to eliminate retroactive coverage for the Medicaid Expansion population?
    a. Have you spoken with providers about this?
    b. How might this impact their ability to serve Medicaid patients?
3. When will the 1115 process start?
    a. Is there a timeline for the two public hearings?
4. What changes does the department plan to make to the eligibility and claims system and how do those changes relate to the department's statements that the system will soon be completely phased out?
5. There are several bills that the department has testified against because they would continue some services under fee-for-service arrangements. If one of more of those bills pass, would that impact the start date of Medicaid Expansion? If so, please explain.
6. How will providers know which plan the patient is on Prime or Basic Coverage?
7. Why do you believe the work requirement rules the department is proposing would not violate federal law, as several courts have recently struck down work requirements in other states?

Costs

1. Do you expect to see savings by moving the caretaker relatives from the full Medicaid benefits package to the benefits package proposed for the expansion population?
2. The community engagement provisions appear to create a complicated administrative structure.

a. Will administrative costs increase?

b. What is the anticipated increase in capitation payments to the MCOs to administer this program?

c. Are savings anticipated as a result of the community engagement requirements?

3. States have offered dental benefits to adults even though it is an optional Medicaid service because it saves money. Has the department calculated into the cost projections increased expenses for emergency room visits for dental issues and/or savings from this provision? If not, why not?

    a. What might the impact be on providers if dental, vision, and over-the-counter benefits are not included in the Basic Coverage?

4. How will Centene's purchase of WellCare impact MCO participation in the expansion plan? Does the department plan to seek a third vendor?

5. Have the MCOs expressed concerns about the plan and their role in managing the administrative tasks?

6. When will the MCO contracts be renegotiated to include enrollment of the Medicaid Expansion population?

<u>Community Engagement Requirements</u>

1. What does it mean to participate in "active care and case management?"

    a. What are the requirements for meeting that standard?

2. How will DHHS verify that someone is doing 80 hours of job search?

    a. There was mention of contracting with an outside vendor. Would that vendor be monitoring the 80 hours of job search? What is oversight for that vendor?

    b. Is that number – the 80 hours - based on other programs the department of Labor or DHHS administers?

3. How will DHHS monitor if someone missed three or more appointments?

4. What is the criteria for "caring for a relative?" Is it the same as the current criteria for caretaker relatives? If is it is different, please explain.

5. CMS allows time spent in treatment for substance abuse towards the community engagement requirements. Why did the department not include this option?

    a. Since the State pays a considerable amount of substance abuse costs with General Funds through the Division of Behavioral Health, wouldn't allowing this option for community engagement save General Funds?

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SENATOR JOHN P. STINNER

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April 2, 2019

Director Dannette R. Smith
P.O. Box 95026
Lincoln, NE 68509-5026

Dear Mrs. Smith:

On April 1, 2019, the Department of Health and Human Services, Division of Medicaid and Long-Term Care Services announced the start date for Medicaid Expansion will be October 1, 2020. The Governor's budget recommendation and the Appropriations Committee's preliminary recommendation are identical and assumed a January 1, 2020 start date. The following appropriations are currently in these recommendations:

- Administrative funds of $4,677,712 ($1,575,408 GF and $3,102,304 FF) in FY 2019-20 and $4,992,742 FF) in FY 2020-21.
- Aid funds of $169,177,787 ($19,826,774 GF and $149,351,013 FF) in FY 2019-20 and $420,409,397 ($49,269,837 GF and $371,139,560 FF) in FY 2020-21.
- Reductions to Program 347 for the state disability program in the amount of $556,366 GF in FY 2019-20 and $1,112,732 GF in FY 2020-21.
- Reductions to Program 038 Behavioral Health in the amount of $1,885,000 GF and $4,640,000 GF in FY 2020-21.
- Reductions in Program 348 for the Women with Cancer Program in the amount of $535,302 in FY 2019-20 and $1,070,732 in FY 2020-21.

Because the announced start date is nine months later than the date the current budget recommendation is predicated upon, please provide information on changes that are needed to these appropriations. Please explain the reasons for any movement of funds between programs. Be aware the Medicaid Expansion aid may be placed in separate budget program. If the amount of aid is anything other than a pro-rated reduction of nine months, please provide specific and detailed reasons why.

The Appropriations Committee is on a very tight timeline to finalize the budget. I would appreciate your response by this Friday, April 5th.

Sincerely,

John P. Stinner

John P. Stinner
District 48